

**ALLTEL COMMUNICATIONS**

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**Karen Higgs**  
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State Government Affairs

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~~765-0582~~  
**ALLTEL**

2004-00193

**RECEIVED** April 22, 2004

APR 23 2004

PUBLIC SERVICE  
COMMISSION

Mr. Tom Dorman, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

Re: Basic Rate Increase per Small Company Alt Reg Plan

Dear Mr. Dorman:

Attached are an original and 9 copies of the following tariff sheets within ALLTEL Kentucky, Inc. PSC KY No. 2 General Subscriber Services Tariff.

<u>Section</u>	<u>Title</u>	<u>Revision</u>	<u>Sheets</u>
25	Local Exchange Rates	5 <sup>th</sup>	2
27	Service Charges, Connections, Moves, & Changes	6 <sup>th</sup>	3

The purpose of this filing is to increase Basic Service Rates in accordance with the Kentucky Small Company Alternative Regulation Plan. This filing has an issue date of April 23, 2004, and a proposed effective date of August 1, 2004. Upon the Commission's approval, we would appreciate receiving a stamped copy of the tariff sheets.

Also included with this filing is a draft of the proposed customer notice, for your approval. A worksheet showing current rates, proposed rates based on the GDPPI calculation, and BellSouth's rates is also included.

Should you have any questions regarding this filing, please call me at (501) 905-8355.

Sincerely,

*Karen Higgs*  
Karen Higgs

Attachments

25. LOCAL EXCHANGE RATES (Continued)

25.1 Rates for All Classes of Service (Continued)

A. Schedule of Bracket Rates by Rate Group - Residence

<u>Monthly Rates</u>	
Rate Group	Rate Group
<u>I-A</u>	<u>II-A</u>
\$ 8.54	\$12.11

(I)

B. Schedule of Bracket Rates by Rate Group - Business

		<u>Monthly Rates</u>	
		Rate Group	Rate Group
		<u>I-A</u>	<u>II-A</u>
1)	Exchanges with One-Party and Multi-Party Service		
a)	P(A)BX Trunks	\$30.20	\$60.00
b)	Key System Lines-Rotary	18.04	36.25
c)	Key System Lines-Non-Rotary	15.10	30.14
d)	One-Party	14.92	30.43
e)	Network Access Register(NAR)	14.35	28.75

(I)

(I)

(D)

(I)

Note 1: Rates shown do not include a Company provided instrument.

Note 2: Those converted to one-party from multi-party in July 1995 will be notified of the change by letter. Their billing will not be increased until January 1996.

ISSUED: April 23, 2004  
ISSUED BY: Vice President, State Government Affairs  
One Allied Drive  
Little Rock, AR 72203

EFFECTIVE: August 1, 2004  
ISSUED BY THE AUTHORITY OF P.S.C.  
Order No:  
Date of Order:

## 27. SERVICE CHARGES - CONNECTIONS, MOVES AND CHANGES (Continued)

## 27.3 Rates

The following service charges apply in addition to other applicable rates and charges found elsewhere in this tariff.

	<u>Residence</u>	<u>Business</u>	
Service Order Charge (\$)			
Initial Order	\$15.57	\$15.57	(I)
Subsequent Order	12.78	12.78	
Addition of Special Access Line Features, i.e., Custom Calling and ALLSTAR Services	5.37	5.37	
Line Connection Charge (L), each	4.42	4.42	
Premise Visit Charge	11.63	11.63	(I)
Installation Expedite Charge	1,500.00	1,500.00	

## 27.4 Link-Up Kentucky

## 27.4.1 Definition

- A. Link-Up Service is a retail local service offering available to qualifying low-income residential customers who participate in one of the following programs:

Medicaid  
Food Stamps  
Supplemental Security Income  
Federal Public Housing assistance  
Low Income Home Energy assistance program

## 27.4.2 Discounts

- A. Customers deemed eligible for Link-Up assistance will receive a reduction in the eligible customary service charge for commencing telecommunications service for a single telecommunications connection at the customer's principal place of residence.
- B. The monthly discounted service charge shall be 50% of the customary charge or \$30, whichever is less.
- C. A qualifying low-income customer may receive a deferred schedule for payment of the charges assessed for commencing service, for which the customer does not pay interest. The interest charges not assessed to the customer shall be for connection charges of up to \$200 that are deferred for a period not to exceed one year. Charges assessed for commencing service include any charges that the Company customarily assesses to connect customers to the network. These charges do not include any permissible security deposit requirements.

## 27.4.3. General

- A. A customer deemed eligible for Lifeline Service is automatically eligible for Link-Up service.
- B. Link-Up Program Service will not be available on a retro-active basis.

ISSUED: April 23, 2004

EFFECTIVE: August 1, 2004

ISSUED: Vice President - State Govt. Affairs  
Little Rock, Arkansas

ISSUED BY THE AUTHORITY OF P.S.C.  
Order No.:

# **ALLTEL Kentucky, Inc.** **Proposed Basic Rate Increases**

ASOCs	Current Tariffed Rate, Rate Group I	Current Tariffed Rate, Rate Group II	Proposed Rate, Rate Group I	Proposed Rate, Rate Group II	BellSouth's Rate	
					Comparable to Rate Group I	Comparable to Rate Group II
<b>Residential</b>						
Residential One Party						
F1, KRL	\$ 8.12	\$ 11.51	\$ 8.54	\$ 12.11	\$ 16.65	\$ 18.40
<b>Business</b>						
P(A)BX Trunks						
Key System Lines-Rotary	\$ 28.70	\$ 57.45	\$ 30.20	\$ 60.00	\$ 60.00	\$ 60.00
Key System Lines-Non Rotary	\$ 7.15	\$ 34.45	\$ 18.04	\$ 36.25	\$ 41.15	\$ 37.50 *
Business One Party	\$ 14.35	\$ 28.65	\$ 15.10	\$ 30.14	\$ 35.90	\$ 33.75
Network Access Register (NAR)	\$ 14.18	\$ 28.92	\$ 14.92	\$ 30.43	\$ 35.90	\$ 33.75
	\$ 14.35	\$ 28.75	\$ 15.10	No Change	\$ 25.80	\$ 25.80
<b>Service Order Charges</b>						
Initial Order	\$ 14.80	\$ 14.80	\$ 15.57	\$ 15.57	\$ 42.00	\$ 72.00
Subsequent Order	\$ 12.15	\$ 12.15	\$ 12.78	\$ 12.78	\$ 35.00	\$ 48.00
Addition of Special Access Line Features	\$ 5.10	\$ 5.10	\$ 5.37	\$ 5.37	Included in Initial Order	Included in Initial Order
Line Connection Charge (each)	\$ 4.20	\$ 4.20	\$ 4.42	\$ 4.42	Included in Initial Order	Included in Initial Order
Premise Visit Charge	\$ 11.05	\$ 11.05	\$ 11.63	\$ 11.63	\$ 30.00	\$ 30.00
Restoral Charge	\$ 19.00	\$ 19.00	\$ 19.99	\$ 19.99	\$ 35.00	\$ 48.00 **

% Change in		
GDPPI		
4Q2001	4Q2002	4Q2003
104,243	107,174	109,746
	2.81%	2.40%
		521%

## **GDPPI Calculation, Table 11.4**

GDP, Pers. Cons. Svcs  
 Change from Previous Year

\* BellSouth's Key System Lines-Rotary rate is a composite of their Business One Party and Grouping Service (Trunk Hunting).  
 \*\* Restoral Charge for ALLTEL Kentucky is the total of the Initial Order Charge and the Line Connection Charge (not shown as separate specific tariffed rate).

**Text of Message to go to Zoneton Business and Residential Customers Regarding Basic Rate Increases:**

Our goal at ALLTEL is to provide customers with the best possible telecommunications services, while keeping the local rates of all our customers as low as possible. Occasionally it is necessary to increase the cost of service and adjust rates due to natural economic inflation. ALLTEL's monthly basic local service rates in Kentucky have not increased in more than 3 years.

Effective August 1, 2004, ALLTEL Kentucky, Inc., will increase the monthly local telephone service rates for basic residential and business service as follows:

	Current Rate	Proposed Rate
Residential One Party	\$11.51	\$12.11
Key System Line Residence	\$11.51	\$12.11
Business One Party or Public Telephone	\$28.92	\$30.43
PBX Line	\$57.45	\$60.00
Key System Business	\$28.65	\$30.14
Key System Business, Rotary	\$34.45	\$36.25

The following service order rates will also change for both residential and business customers:

	Current Rate	Proposed Rate
Initial service order	\$14.80	\$15.57
Subsequent service order	\$12.15	\$12.78
Addition of special access:		
Line features	\$5.10	\$5.37
Line connection	\$4.20	\$4.42
Premise visit	\$11.05	\$11.63

The rates contained in this notice are proposed by ALLTEL. If you have any questions, please call an ALLTEL customer service representative at 1-800-347-1991 (residential) or 1-800-843-9214 (business). Customers may object to the adjustments and request a review by filing a letter or petition with the Public Service Commission at the following location:

Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

On October 6, 1998, ALLTEL Kentucky, Inc., elected to have its prices regulated pursuant to Kentucky Revised Statute 278.516. The Kentucky Public Service Commission, on December 30, 1998, issued an order stating ALLTEL is compliant with the statute. Under the statute, ALLTEL may adjust its rates once during any 24-month period by an amount not to exceed the sum of the annual percentage change in the Gross Domestic Product Price Index (GDP) for the immediately preceding two years. The GDP for the 2002 and 2003 increased 2.81% and 2.40%, respectively, for a combined total of 5.21% over the two-year period. The above proposed price increases are in compliance with Kentucky Revised Statute 278.516.

Text of Message to go to Shephardsville & Mt. Washington Business & Residential Customers regarding Basic Rate Increases:

Our goal at ALLTEL is to provide customers with the best possible telecommunications services, while keeping the local rates of all our customers as low as possible. Occasionally it is necessary to increase the cost of service and adjust rates due to natural economic inflation. ALLTEL's monthly basic local service rates in Kentucky have not increased in more than 3 years.

Effective August 1, 2004, ALLTEL Kentucky, Inc., will increase the monthly local telephone service rates for basic residential and business service as follows:

	Current Rate	Proposed Rate
Residential One Party	\$8.12	\$8.54
Key System Line Residence	\$8.12	\$8.54
Business One Party or Public Telephone	\$14.18	\$14.92
PBX Line	\$28.70	\$30.20
Key System Business	\$14.35	\$15.10
Key System Business, Rotary	\$17.15	\$18.04
ADC Network Access Register	\$14.35	\$15.10

The following service order rates will also change for both residential and business customers:

	Current Rate	Proposed Rate
Initial service order	\$14.80	\$15.57
Subsequent service order	\$12.15	\$12.78
Addition of special access:		
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